Lessons Learned: USAID/RCSA's Experience in Conducting a Regional Assistance Program 1995-1997

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November 1997

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Executive Summary: Lessons Learned

Since its establishment in 1995, the RCSA has accumulated considerable experience in simultaneously (i) running a regionwide program, (ii) providing REDSO-like services to bilateral missions and (iii) managing (residual) bilateral programs from a regional hub.

Several key "lessons" emerge from this experience:

Clarify why you are "operating regionally." The structure, budget and staffing of any regional mission will be quite different if the purpose is programmatic (e.g., to permit engagement on regionwide issues) or management (e.g., to save money or other resources by consolidating administration of bilateral programs). It should be clear up front whether the regional mandate is motivated by management objectives or by programmatic ones.

Set realistic benchmarks and goals. Designing and managing regional work is more complex than bilateral work, and imposes greater management demands. In addition, both longstanding and reengineered Agency procedures often assume a bilateral context, and must be manipulated or worked around to meet the needs of a regional program. As a result, it simply takes longer to set up a regional operation and begin to achieve results than would be the case in a bilateral situation.

Don't count on OE savings. Implementing a regional program may well involve greater impact and other programmatic efficiencies, but is unlikely to permit significant OE savings per dollar of assistance delivered (the "efficiency measure" used by Agency management analysts to guide staffing and OE budget levels). Higher costs are inherently associated with operating regionally due to greater information demands, staff time required for coordination with multiple partners and stakeholders and generally lower capacity of regional institutions.

Clarify relationships up front. Regional programs do not operate with the clearly-defined and relatively autonomous sphere of bilateral ones: they are conducted in the same geographical space as the bilateral programs, and coordination and implementation of regional and bilateral programs is a major burden on both a regional mission and, even more, bilateral ones. Good will and a "can do" attitude, when they exist, do not suffice to overcome these burdens. Rather, responsibilities must be explicitly allocated and resources (e.g., OE for travel to

regional meetings, staff to assist in reporting of results with regional impact) provided to permit missions to carry out these additional tasks without undue cost to their own programs.

Develop a regional strategy. So long as regional programs are viewed as anomalous exceptions to the "normal" bilateral program, they will have difficulty in achieving their full potential. An important step in changing such perceptions would be to adopt a regional strategic plan, to which both bilateral and regional office strategic plans are subordinate, in cases where it has been decided a regional program should be conducted.

A more detailed review of the RCSA's experience to date follows in the sections below.

Part I: "Operating Regionally" -- What Is It?

A "regional program" can be defined in at least three distinct ways:

-- The "REDSO model": Supporting bilateral programs through provision of services from a regional hub.

-- The "OSARAC model": Managing essentially bilateral programs or activities from a central regional office (also followed in SARP to some extent).

-- The "ROCAP model": Managing a regional program from a regional office. This is the model with which USAID has least experience.

The RCSA program is based on the third model (with some SARP-legacy elements of the second); its service offices largely follow a REDSO approach.

Each approach presents distinct opportunities for programmatic impact, management efficiencies or both. The RCSA's experience suggests three tentative conclusions:

-- The ROCAP model has tremendous potential for development impact, but does not "come cheap" due to inescapably high staff, travel and other management costs. These costs are magnified by fact that many Agency policies and procedures are structured to support bilateral relationships and are not readily applied to a regional program.

-- If the primary motivation for establishing a regional office is to reduce OE costs without losing the programmatic and political benefits of a field presence, the OSARAC approach of administering multiple bilateral programs from a

single central office may be realize greater savings than the ROCAP one.

-- While elements of the REDSO model can be combined with the ROCAP approach, achieving a workable "fit" takes some work.

Part II: Why Work Regionally?

Working regionally rather than solely at national level offers a number of important advantages and opportunities.

Broader perspective, larger scope. Approaching issues from a regional perspective permits a more holistic view of both constraints to and possibilities for development. In addition, the globalization of the economy and increased international information flows have sharply and significantly increased the degree to which development efforts must take into account factors operating at the supra-national level. The Initiative for Southern Africa, which is implemented by the RCSA, responded to Southern Africans' own recognition that their development problems cannot effectively be addressed solely at national level, and their initiatives in developing a range of intergovernmental and non-governmental institutions with an explicitly regional perspective and mandate.

Support for and interaction with regional entities and initiatives is difficult or impossible to provide through bilateral offices, from bilateral platforms or with bilateral methods, and establishment of explicitly "regional" programs and offices may be necessary in order to do so. The structures and concepts for regional cooperation are still quite fluid, offering the possibility of significant influence during their formative stages. In many cases, such new institutions may be better partners because they are more focussed on their regional mission, and less driven by bureaucratic and personal imperatives unrelated to that mission.

Nature and expense of intervention. Regional activities will often focus more heavily on policy change, coordination, analysis and information flow than on the grassroots activities more characteristic of bilateral programs. These activities have the potential of providing more "bang for the buck" by focussing less on provision of new resources than on the more efficient use of existing recipient and other-donor resources; conducting them may well be less expensive, *relative to their potential impact*, than more traditional programs.

Flexibility/managing for results. Working regionally provides a wider perspective, permitting identification of the highest-impact opportunities over a far larger area without

regard to national boundaries. Because a regional program is
tied neither to the agenda of a host government nor to structures
limiting assistance to a single country, allocation of resources
to more productive opportunities is often easier than for a
bilateral mission.

U.S. comparative advantage. USAID may be particularly well
placed to conduct regional programs insofar as these programs
focus on areas such as information technology, or on non-
governmental actors, in which the United States has a clear
comparative advantage over other donors.

Part III: Issues in Operating Regionally

A. Strategic Issues

Different approaches to working regionally are appropriate
in different environments. Selecting among them requires
addressing a number of issues. Some of these issues simply
require thoughtful decisions among existing options; basic
changes in USAID policies may be required to resolve others.

Defining "regional." As noted above, a "regional" program
can be approached in a variety of ways. The RCSA's core
programmatic approach emphasizes programs implemented at and
seeking to have impacts at supra-national level, and generally
excludes activities which could be conducted more effectively at
the bilateral level. A variant approach is to include as well
activities offering significant economies of scale (e.g., through
regionwide training programs) or other benefits (e.g., as in
CBNRM, careful structuring and comparison of several differing
national "experiments") which would be lost at the bilateral
level. A third approach is to conduct several traditional
bilateral programs through regional staff based at a single
administrative hub; this approach maintains a measure of local
presence while reducing costs, and may permit more efficient use
of technical personnel. As noted above, a final concept is that
which defines the REDSOs: providing regional technical and other
services, from a central support office, in support of bilateral
missions.

The choice of approach may be based on either programmatic
or management concerns; since each has different characteristics
and demands, however, failure to make a clear choice may
introduce unnecessary inefficiencies and delays in launching the
regional work.

Defining the region. Unlike the bilateral situation, the
definition of what constitutes the scope of the program for a
regional mission itself requires conscious definition. The scope
may be defined geographically, or in terms of one or more

regional organizations; it may remain fluid, or differ for different program elements. Even after USAID has developed a clear definition for its own programming purposes, it may be asked to revise that definition in response to developments which are extraneous USAID's own development goals, analysis and priorities.

The 1993 Initiative for Southern Africa, for example, included only the eleven then-members of SADC. Its small size and broadly positive characteristics allowed the RCSA easily to include Mauritius in SADC-sponsored events and programs funded by the RCSA since its accession to SADC in 1995; SADC's recent acceptance of Congolese and Seychellois applications, however, presents larger programmatic issues. Without changing its twelve-country definition of the region for most purposes, the RCSA has provisionally decided that for programs implemented with SADC that require regional participation -- such as SADC trade policy workshops -- all SADC member states including the Congo and Seychelles will be eligible to participate. The extent of further involvement in these two countries remains under consideration.

Information and analysis. The benefits of the resulting "big picture" are great, but gathering and processing information on a regional basis also makes great demands on staff time. At the RCSA, for example, officers must remain current on general trends and events as well as technical developments in a dozen countries rather than a single one. This daunting task is compounded by the fact that staff lack ready and consistent access to the myriad "environmental" information sources -- local media, "home embassy" knowledge, FSNs and other easily-accessible local contacts -- available to bilateral staff. Regional travel and contacts do, however, provide a crucial flow of "on-site" perspectives and broad sense of regional trends and events and regional staff rely on both written information and increasingly useful (if still spotty) electronic sources.

USG organization. Neither State nor AID/W is organized, oriented or staffed to provide consistently strong and focussed guidance on regional issues, nor is there a "regional" Embassy or USIS structure corresponding to the RCSA to provide broad policy guidance or context. (This may to a degree change if State's recent proposal to name a Special Representative to SADC is accepted and implemented.) Regional reporting and analysis is therefore fitful, and policy is generally developed and conducted on a bilateral rather than regional basis.

Because regional work is seen as a somewhat exotic and marginal stepchild, such regional policy as exists is often developed at the field mission or AID/W office level and without the benefit of a coherent approach and authoritative policy voice appropriately balancing all potentially relevant USG interests

with respect to the region. Absence of an appropriate "regional"
bureaucratic structure means that the weight given to "regional"
arguments is unpredictable and subject to radical and apparently
random turns of fortune.

Regional thinking, regional implementation. "Thinking
regionally" does not simply equate to regional programs.
Ideally, for example, the RCSA and bilateral programs in Southern
Africa (as well as relevant G Bureau programs) should all be
guided by and serve a common strategy for the region, with
programmatic responsibilities allocated to make best use of the
comparative advantages of each USAID entity. There is no such
strategy, however; the nearest (and highly inadequate)
approximation of such a strategy is the mission strategy for the
RCSA -- which can act only at the regional level, and which has
no direct responsibility for achieving bilateral impacts.

By the same token, bilateral missions have no responsibility
for achieving regional impacts. Although there is a distinct
tendency to assume that regional objectives should be implemented
regionally, many of the most important actions required to
achieve such objectives policy can in fact only take place at
national level: bilateral Embassies and missions are far better
placed than the RCSA, for example, to urge individual governments
to take the actions necessary to reduce trade barriers in support
of regional market integration. Unless regional market
integration is a defined priority for the bilateral program,
however, bilaterals will be understandably reluctant to commit
resources to pursuing "the RCSA's priorities" at the expense of
their own.

Regional partners. The overlapping responsibilities of
national governments and regional institutions and the
essentially subordinate status of the latter means that there is
no real analog at the regional level to the normal bilateral
"host government". This somewhat obvious point has important
consequences.

The USAID relationship with a sovereign host government
provides a broad, relatively clear and coherent policy context
for conducting a bilateral program. Regional institutions have
more limited and derivative mandates, and are rarely in a
position to impose a common policy approach on their members.
They normally lack an on-the-ground presence or the ability to
command official action. The different ministries a bilateral
mission works with are all accountable to the same final
authority; regionally, by contrast, the cooperating entities may
bear no institutional relationship to each other whatsoever.

At best few intergovernmental and non-governmental regional
partners exist in areas of interest to the RCSA; those which
exist lack staff and other resources and are organizationally

weak and relatively uninformed. Only rarely can the same
reliance be placed on such a partner as would be normal with
governmental partners at the bilateral level. Institutional
development is accordingly both a significant goal and major
consumer of time for the RCSA.

Donor coordination. Few donors think and structure
themselves to work regionally. There is no forum or standard
operating procedure for coordinating the activities of the few
donors engaged in regional activities comparable to the DAC or
UNDP-chaired donors' groups or CGs common in the bilateral
context. Because other donors' programs are less accessible,
coordination of activities to share burdens and build on
different donors' comparative advantages is a far more staff-
intensive undertaking than would be the case in single-country
contexts. (The growing number of donors working regionally in
Southern Africa -- most recently including the World Bank --
should, however, facilitate development of such networks.)

Impact measurement. A characteristic of working regionally
is that partners are generally intermediaries such as national
NGO umbrella groups or trade associations rather than grassroots
organizations; while these generally support grassroots
organizations, the direct impact of regional programs is often at
the intermediate rather than grassroots level.

As a result, defining, measuring and reporting impact all
become more challenging. Because results are not sought at the
grassroots level, and are often not "concrete" in any way, for
example, the mission must develop a new approach to defining and
measuring success. Attribution of specific results is compounded
by the fact that grassroots implementing entities receive the
bulk of their direct support either from bilateral USAID missions
or from other donors, and any successes can legitimately be
ascribed to their efforts as much as those of the RCSA.

A second implication of the lack of grassroots impact is
political, in the broad sense: the strongest constituency for
assistance programs is most powerfully moved by demonstrations of
concrete impact at the grassroots and bilateral levels and thus
unlikely to be a strong or passionate supporter of regional
programs.

Solution: strategic focus. The challenges described above
are almost entirely related to the intrinsically wider "span of
control" required to handle regional work effectively. The RCSA
has concluded that rigorous strategic focus -- in other words,
careful selection of a limited number of technical areas in which
to be active -- is critical to ensuring management of this
increased workload with available resources.

B. Program Management Issues

Program management poses equal challenges at the regional level.

Obligations. Because there is no regional equivalent to a host government with which to sign a ProAg or SOAg, perhaps the single most salient challenge faced in conducting the regional program has been that of obligating funds. The RCSA has signed LSGAs with SADC and in so doing gain at least some of the flexibility offered by SOAgs. SADC is not active in all RCSA program areas, however, and is reluctant or constrained in its ability to assume responsibility for being the RCSA's counterpart in others, particularly the politically sensitive area of democracy and governance. SADC normally derives little if any direct benefit from these obligations, raising concerns about its readiness to continue to do so or that it may seek to reduce its potential exposure by insisting on "clearing" proposed agreements with its sub-units or member governments -- a concern heightened by the fact that each agreement proposed by at least one major SADC donor must be approved by the SADC Council of Ministers.

The principal alternative mechanism is obligation through contracts or NGO/PIO grants, further burdening overstretched RCO staff. Grants with individual partners leave funds hostage to the institutional foibles and limitations of generally weak regional entities. Obligating through contracts also reduces the RCSA's ability to shift funds without subjecting ourselves to the unpredictable deob/reog process in the event that a contract must be terminated.

While the RCSA is also exploring such alternatives as obligating through other donor entities, no method yet identified fully meets the regional program's unique requirements.

Bilaterals. Achieving the RCSA's SOs often requires significant support from bilateral missions and Embassies, although those SOs rarely figure in their own country strategic plans. RCSA implementation must take bilateral political concerns into account, requiring a great deal of coordination to avoid errors or embarrassment. Finally, RCSA travels a great deal and, since even highly self-sufficient TDYers inevitably impose some burden on posts, local post imperatives mean that even routine country clearance cannot always be assumed.

Communications, meetings and travel. E-mail and improved telecommunications in much of the region have made it possible to conduct a "real-time" regional program in a way that might not have been possible even five years ago. Communication is still very time-consuming and difficult, however. This is partly because so many more partners (particularly Embassies/USAIDs) must constantly be kept current and involved than would be the

case in a bilateral program -- and in writing rather than orally -- but also because almost all communication is at long distance.

Particular problems result when it is important that contact be made throughout the entire region, since some countries have communications systems that are at best unpredictable and at worst completely impossible. A non-functioning phone system in one's own city may result in the minor inconvenience of sending a driver with a written message; failure at 1000 miles' remove is a far less tractable problem requiring at a minimum courier costs and several days' delay for delivery and reply. To minimize the consequences of such communications failure, several backup systems (phone, fax, courier, post, hand-delivery by bilateral staff) must be employed, and delays must be built in to accommodate the slowest or least reliable communication system.

Similarly, where stakeholder or other meetings at bilateral level might involve asking participants to take an hour or two out of their day to drop by the mission, similar meetings conducted on a regional basis will require purchasing and sending airplane tickets, arranging for accommodation and visas and often several days' time from participants. Not only is the cost and administrative support substantial, but the required lead time is far greater, with associated costs in terms of flexibility and rapid response. The result will often be well worth the effort, but in order to justify such an investment by both mission and participants, meetings must have fuller agendas which in turn require additional advance planning.

Stakeholder relations. Due in part to the more cumbersome nature of communications, it is crucial to develop strong relations with stakeholders that will hold up without frequent and informal personal meetings. Misunderstandings are more difficult to overcome -- or even identify -- at long distance, and both USAID staff and stakeholders must work harder to identify and anticipate their respective informational and other needs.

Contractors. Institutional contractors supporting a regional program may well be located outside the country from which the regional program is administered, vastly increasing the challenges of providing or arranging with a bilateral mission the provision of necessary logistical and other mission support. Indeed, with progressive phase-out of field missions, the RCSA will soon face the very practical problem of how to provide logistic support and oversight to contractors which, for sound programmatic reasons, must locate in a non-presence country. (The RCSA is currently exploring the World Bank's approach of vesting the responsibility for contractor support with the host institution.)

In addition, even when they are resident in-country, contractors' travel requires constant attention to country clearance and other coordination issues. Individual posts' country clearance requirements (in one case, a minimum of three weeks' advance notice for contractor travel) can significantly increase administrative demands while reducing flexibility.

Monitoring. Although the relative absence of grassroots activities is an important mitigating factor, implementation monitoring is impeded by the difficulty of maintaining close contact with out-of-country grantees (and at times contractors), as well as the travel schedule of institutional contractors supporting the regional program. This problem is compounded if responsible mission personnel, including the COTR or contracting staff, are also on heavy travel schedules.

C. Internal Management Issues

Start-up of a regional operation is particularly demanding, although management issues continue thereafter as well.

Staff costs. It is very important for breadth of knowledge and experience that a regional office's local professional staff be drawn from throughout the region. While the RCSA has been fortunate in the degree to which its host government has understood and accepted this imperative, it still frequently encounters resistance to providing work permits for "regional" staff when the host government believes local citizens could do the work. A separate issue is that "regional"-hire professional staff cannot for budgetary purposes simply be equated to a bilateral mission's CCNs: they are more expensive due to the need to provide housing, relocation, home-leave and other benefits that would not be required for local staff; they may also require negotiation of special privileges.

Even where there is a preexisting bilateral mission, it is not necessarily the case that its staff can simply "walk into" a regional mission and be immediately fully functional. Their knowledge base and habits must change significantly to reflect a situation that will likely be even more different from what they have previously experienced than is at first recognized.

Hiring. The CCN/TCN structure does not envisage the hiring of regional staff, nor does the Agency's compensation system address the problems of structuring appropriate compensation packages for regionally-hired staff. While staff at a regional office should presumably all be on the same compensation scheme to avoid invidious comparisons and reflect host-country living costs, this may well create conflicts with bilateral missions in their home countries where USAID staff of the same nationality and with similar or superior credentials are paid substantially less.

Staffing. Travel requirements are greater than for
bilateral missions, and absences are lengthier; as a result,
staff must be more versatile and more widely familiar with
others' portfolios to permit them to fill in gaps associated with
expanded travel obligations. Teams can substantially mitigate
this burden, but only if overall mission staffing is sufficiently
generous to permit all team members to develop genuine expertise;
it must realistically be acknowledged that the likelihood of
obtaining such depth of staffing in any new mission is
vanishingly small.

Support offices (RLA, RCO, OFM) with regional service
responsibilities can perform those responsibilities successfully
only by treating their home mission as merely one of their
missions rather than as one to which they owe a primary
commitment or an obligation to be constantly available. They
cannot be expected to do double duty by also being expected to be
fully and constantly accessible to the regional mission.

Staff morale. An unexpected issue has been the negative
effect on morale of being unable readily to engage with the local
society. The RCSA's regional mandate precludes "favoring" local
partners, and few of its activities involve substantial
interaction with in-country entities. Lack of a bilateral
mission and heavy travel demands further reduce staff's ability
to engage with the local society. Staff therefore feel even less
"rooted" than is the norm for Foreign Service personnel.

D. Mismatch With Agency Concepts and Procedures

USAID's (and, to a considerable extent, the USG's)
underlying concepts and procedures are pervaded by an assumption
that they will be applied in a bilateral assistance context.
While the RCSA has managed to address most of these problems with
varying degrees of success, it is both time-consuming and often
exceedingly difficult to manipulate bilaterally-focussed
procedures to accommodate the demands of a regional program.

Three illustrative examples: Obligations. As noted, the
obligating mechanisms available to a regional mission assume a
single host government or comparable entity; reengineering
similarly assumes an ability to structure programs around SOAgs
with a single governmental or other partner. Absent such an
entity, the obligating process is far more cumbersome, inflexible
and time-consuming. Reversion of property. Absent a host
government counterpart, disposal of property far more complex and
time-consuming than would otherwise be the case. Participant
training. The ADS makes no provision for "in-region" (as
contrasted to "third country") training corresponding to the "in-
country" training appropriate for bilateral programs.